



Freddie Mac Sticks With Borrower Through Baltimore Riots and Provides Financing for Low Income Apartments

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Apartments Serve Individuals With Low Incomes, the Homeless, and Provide Transitional Housing

MCLEAN, VA--(Marketwired - Jul 22, 2015) - Freddie Mac (OTCQB: FMCC) recently purchased a \$4.6 million loan secured by Baltimore's historic Frederick Douglass Apartments, which feature very affordable below-market-rate rental units, including some units that are reserved for transitional housing and the homeless.

A few days after the Baltimore, Maryland, riots erupted last month just a few blocks from the 97-unit Frederick Douglass Apartments, the owner called Berkadia and Freddie Mac to confirm that the loan was still on track. Freddie Mac had recently inspected the property and wasn't deterred by the riots, although a quick visit to the property was needed to ensure it didn't sustain damage. Within days, Freddie Mac agreed to purchase the loan.

"We used our capital to support those in need and ensure affordable housing for the residents of Frederick Douglass Apartments, which includes providing a safe, supportive shelter for homeless individuals and individuals needing a second chance -- those recently incarcerated or recovering from substance abuse," said Freddie Mac Multifamily Vice President of Affordable Lending and Sales David Leopold.

The Berkadia deal team led by Joe DeGiorgi and Pauline Crytzer arranged the debt financing for the borrower, Capital T Partners Properties IV, LLC. Berkadia was formally designated as a licensed Freddie Mac Targeted Affordable Housing (TAH) Seller/Servicer in March of 2015.

The property includes traditional individual units and three non-traditional commercial spaces for nonprofits. The nonprofits provide outreach services to address the varied psychosocial and family problems and needs of their residents. A separate wing on the property provides over 50 dorm-style beds for the homeless.

Built in the 1920s, the Frederick Douglass apartment community was originally a high school for African American students whose alumni include Supreme Court Justice Thurgood Marshall and jazz legend Cab Calloway.

"On the surface, the transaction was complicated and not something we would normally do," stated Berkadia's Managing Director of Affordable Housing, Anthony Cinquini. "However, as we dug deep into what the borrower was doing with the project, and how they were truly servicing the most needy and achieving sustainable and predictable cash flow, we realized that this was a terrific asset with great sponsorship and, most importantly, serving a very serious and 'in demand' need in the local community."

Borrowers David Lavine and Charles Tobias added: "The Berkadia team did a fabulous job on our deal. It was complicated, there were issues, and of course another lender was not able to cross the finish line before Berkadia was involved. The Berkadia team helped us receive higher loan proceeds, favorable terms, and we are now rate locked and closed with Freddie Mac. We truly appreciate all the hard work done by Freddie Mac and Berkadia to get us across the finish line."

About Freddie Mac

Freddie Mac was established by Congress in 1970 to provide liquidity, stability and affordability to the nation's residential mortgage markets. Freddie Mac supports homeowners and renters nationwide by providing mortgage capital to lenders. Today Freddie Mac is making home possible for approximately one in four home borrowers and is one of the largest sources of financing for multifamily housing. Additional information is available at FreddieMac.com, Twitter [@FreddieMac](https://twitter.com/FreddieMac) and Freddie Mac's blog FreddieMac.com/blog.

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